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E.O. 12958: N/A

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/06/09

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1) Saiki, Bosworth agree even launch of satellite not acceptable

ASAHI (Page 4) (Full)  
March 6, 2009

Foreign Ministry Asian and Oceanian Affairs Bureau Director General

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Akitaka Saiki held a meeting yesterday with visiting U.S. Special Representative for North Korea Policy Stephen Bosworth. Regarding North Korea's moves that appear to be preparing a launch of a ballistic missile, the two officials agreed that even if Pyongyang insisted that it would be a satellite, such is unacceptable based on a UN Security Council resolution calling for a halt in the ballistic missile program.

According to the Japanese side, Bosworth explained his outlook for the six-party talks on North Korea's nuclear issue and U.S.-DPRK talks, while indicating that U.S.-DPRK talks alone would not move matters forward that easily.

2) North Korean missile: Japan, U.S. confirm close collaboration

NIKKEI (Page 2) (Full)  
March 6, 2009

Special Representative for North Korea Policy Steven Bosworth on March 5 met with Akitaka Saiki, director general of the Foreign Ministry Asian and Oceanian Affairs Bureau, at the Foreign Ministry. Concerning North Korea showing signs of test-launching a ballistic missile, both agreed to ask that nation to restrain itself. They confirmed their stance of closely cooperating with each other, including filing a complaint with the UN Security Council, in the event the DPRK went ahead with the launch.

This is the first meeting between Japanese and U.S. working-level officials in charge of the North Korea issue since the inauguration of the Obama administration.

They confirmed the understanding that the launching of a missile by North Korea is in breach of a UNSC resolution adopted, following its launch of ballistic missiles and nuclear test in 2006.

3) Aso on abduction issue: U.S., South Korea understand Japan's position

TOKYO SHIMBUN (Page 2) (Full)  
March 6, 2009

The House of Councillors' Budget Committee held a question-and-answer session on the fiscal 2009 budget bill yesterday, participated by Prime Minister Taro Aso and all the

cabinet members. In replying to a question, Aso revealed that the government has been asking the U.S. and South Korea for cooperation in its effort to resolve the issue of past abductions of Japanese nationals by North Korean agents at an early date. Aso said: "We have won the full understanding of the U.S. and South Korean leaders. I have told them that we have no time to lose, considering the ages (of the abduction victims and their relatives)."

4) Japan to impose additional sanctions should North launch missile

SANKEI (Page 3) (Excerpts)  
March 6, 2009

The government decided yesterday that if North Korea launched an "artificial satellite" --although it is believed to actually be an upgraded version of the long-range ballistic missile Taepodong-2 -- Japan would impose additional sanction measures, in addition to its current ones. The government has in mind such new measures as

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freezing the assets of the General Association of Korean Residents in Japan (Chosen Soren) and other North Korea-related organizations, and to restrict imports from the North. The government judges it necessary to prevent North Korea from developing nuclear development and obtaining missile-related parts, as well as to choke off funds to that end. Given this, it intends to urge the United Nations Security Council (UNSC) to strengthen sanctions. The government will also study the possibility of tightening penalties in the Foreign Exchange and Foreign Trade Control Law to restrict the North's illegal exports through third countries and remittances abroad.

In their meeting yesterday, Foreign Ministry's Asian and Oceanian Affairs Bureau Director General Akitaka Saiki and Stephen Bosworth, U.S. special representative for policy on North Korea, shared this view: If Pyongyang goes ahead with the launch, even if it announces it is a satellite, the launch would be a violation of a UNSC resolution. Saiki explained what measures Japan is planning to take against North Korea, according to informed sources.

Remembering a case in which the U.S. froze bank accounts related to North Korea in Macao in reaction to its alleged involvement in money laundering, a government source said, "A freeze of assets held by Chosen Soren and other organizations in Japan is expected to have a major effect,"

The government intends to ban exports to North Korea in principle and strengthen a system to crack down on North Korea's exports through Asian countries.

5) Premier plans to visit Europe during early May Golden Week holidays: Coordination under way for Japan-EU summit in Czech

NIKKEI (Page 2) (Full)  
March 6, 2009

The Nihon Keizai Shimbun learned on March 5 that Prime Minister Taro Aso is considering visiting Europe during Golden Week holidays in early May. Coordination is now under way for visiting Czechoslovakia, the host country of the EU, to hold a Japan-EU summit with Prime Minister Topolanek. He also wants to visit various east European countries, where economic woes are continuing due to the global recession.

Economic cooperation with Czechoslovakia, Hungary, Poland and Slovakia (V4) is one of the pillars of the Arc of Freedom and Prosperity, a diplomatic strategy the prime minister advocated when he was foreign minister.

6) Official U.S. view: Senkakus fall under the U.S.-Japan Security Treaty

YOMIURI (Page 2) (Excerpt)  
Eve., March 5, 2009

By Satoshi Ogawa in Washington

The U.S. Department of State on March 4 issued an official view in connection with the issue of the U.S. government's interpretation of the U.S.-Japan Security Treaty to see whether the Senkaku Islands would be applicable in such cases as the obligation to defend Japan if it is attacked. The official view is that the Senkakus fall under the treaty. In replying to a question from the Yomiuri Shimbun, a

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responsible official stated: "The Senkakus Islands since the reversion of Okinawa have been under the administrative control of Japan. The U.S.-Japan Security Treaty is applicable to territories that fall under Japan's administrative control." The view will be transmitted to the Japanese government as that of the Obama administration.

7) Gov't confirms U.S. official view to cover Senkakus in security pact: Kawamura

SANKEI (Page 5) (Full)  
March 6, 2009

Chief Cabinet Secretary Takeo Kawamura revealed yesterday evening that the Japanese government has confirmed as the U.S. government's official view that the Senkaku islets (Diaoyutai in Chinese) in the East China Sea will come under the Japan-U.S. Security Treaty if attacked by a foreign country. "We have confirmed that the United States' view is the same as before and remains unchanged," Kawamura said. He was replying to a question from reporters at the prime minister's office.

"The United States stated, 'The Senkaku Islands have been under the administrative control of the Government of Japan since having been returned as part of the reversion of Okinawa (in 1972). Article 5 of the (1960) Japan-U.S. Security Treaty applies to the territories under the administration of Japan.'" With this, Kawamura underscored the U.S. government's conventional view.

Concerning the Japan-U.S. Security Treaty's application to the Senkaku islets, Seiji Maehara, vice president of the leading opposition Democratic Party of Japan (Minshuto), interpellated the government in a Feb. 26 meeting of the House of Representatives Budget Committee and requested the Senkakus fall within the ambit of the security pact. Prime Minister Taro Aso indicated that the security pact covers the islets.

8) Nonpartisan group agrees to aim at enactment of anti-piracy legislation in current Diet session

TOKYO SHIMBUN (Page 3) (Full)  
March 6, 2009

The Young Parliamentarians' League to Establish a Security System for a New Century, a nonpartisan group composed of junior lawmakers, agreed at its meeting yesterday to aim at the enactment of new anti-piracy legislation in the current Diet session which the government is scheduled to present.

The meeting was attended by Liberal Democratic Party lawmaker Gen Nakatani and New Komeito member Shigeki Sato, who are co-chairs of the ruling bloc's project team, plus Democratic Party of Japan Vice President Seiji Maehara and the People's New Party Diet Affairs Committee Chairman Masaaki Itokawa.

Maehara said in his speech: "There is no distinction between ruling and opposition parties when it comes to protecting Japanese vessels, crewmembers, and cargoes."

9) DPJ Maehara expresses cooperation for anti-piracy bill

MAINICHI (Page 5) (Full)

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March 6, 2009

Democratic Party of Japan (DPJ) Vice President Seiji Maehara yesterday indicated a willingness to cooperate in enacting an anti-piracy bill that the government will soon adopt in a cabinet meeting. Delivering a speech at a general meeting of the suprapartisan group "Association of junior lawmakers to establish a security system for the new century" held at a Tokyo hotel, he said:

"To ensure the safety of Japanese ships, crew, and freights, a distinction should not be made between the ruling and opposition camps. I think all the DPJ lawmakers here are supportive of the legislation. We would like to commit ourselves to establishing a better law."

10) Somalia anti-piracy operation; Agreement to be reached in defense ministers' meeting to allow MSDF to work together with Chinese military

TOKYO SHIMBUN (Page) (Abridged slightly)  
March 6, 2009

The government decided yesterday to work together with China in dealing with piracy in waters off Somalia by exchanging information between the Maritime Self-Defense Force and the Chinese Navy. Defense Minister Yasukazu Hamada is expected to visit China and confirm the policy direction with his Chinese counterpart Liang Guanglie on March 21, according to several government sources. It will be the first joint operation between the SDF and the Chinese military. Reciprocal visits by commanders of the two countries to MSDF and Chinese vessels are also under consideration.

The two countries, already in accord in outline through administrative-level coordination, intend to strengthen anti-piracy activities, such as protecting vessels, by working together at sea. At the same time, the step is intended to build mutual confidence between Japan and China.

The Japanese government is scheduled to invoke a maritime policing action provision next week to dispatch two MSDF destroyers on March 14. The two destroyers are expected to begin activities by early April in waters off Somalia.

Under the maritime policing clause, only Japan-registered vessels and vessels carrying Japanese cargoes are subject to projection, and foreign-registered vessels not connected with Japan are outside the scope. New anti-piracy legislation expected to be adopted by the cabinet as early as March 13 is designed to allow the MSDF to protect foreign vessels, as well. For this reason, once the law is enacted, the MSDF might opt to escort China-connected vessels and the Chinese Navy do likewise for Japan-connected vessels, based on information exchanged between the two countries.

China dispatched three vessels -- two destroyers and a fueler -- late last year, and they have been conducting activities in waters off Somalia since early January.

They have been escorting vessels of China, Taiwan, Hong Kong, and international organizations, such as the World Food Program (WFP).

11) Gov't poll: 70 PERCENT appreciate MSDF mission in Indian Ocean

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SANKEI (Page 5) (Full)  
March 6, 2009

The Cabinet Office yesterday released findings from its recent public opinion survey regarding the Maritime Self-Defense Force's refueling activities in the Indian Ocean. In the poll, respondents were asked if they appreciated the MSDF's refueling activities. To this question, "yes" added up to 70.4 PERCENT, broken down into "highly appreciate" at 23 PERCENT and "somewhat appreciate" at 47.2 PERCENT. "No" accounted for 22.6 PERCENT.

The most common reason given for "yes" was "Japan will gain a high reputation in the international community" at 65.2 PERCENT,

followed by "it's helpful to Japan's peace and security" at 43.1 PERCENT and "it's helpful to Japan's stable securing of oil" at 32.8 PERCENT . In the breakdown of reasons for "no," the most common reason was "against the Self-Defense Forces' overseas dispatch" at 43.3 PERCENT , followed by "it's not helpful to eradicate terrorism" at 39.4 PERCENT and "the SDF will be involved in a battle" at 35.2 PERCENT .

The survey was conducted from Jan. 22 through Feb. 1 on a face-to-face basis, with a total of 3,000 persons chosen from among male and female adults across the nation. The response rate was 56.1 PERCENT .

12) Prime minister to visit Okinawa tomorrow; Futenma tour to be skipped

ASAHI (Page 4) (Abridged slightly)  
March 6, 2009

Prime Minister Taro Aso is going to make a one-day visit to Okinawa tomorrow for the first time after assuming office. While in Okinawa, he is scheduled to hold talks with Governor Hirokazu Nakaima and Liberal Democratic Party support groups. The prime minister, however, is likely to forgo his plans to tour the U.S. Marine Corps' Futenma Air Station in Ginowan and the Henoko district in Nago, the Futenma relocation site, which are now in the spotlight as part of the realignment of U.S. forces in Japan.

An informed source indicated that while in Okinawa, the prime minister will spend some time at a Naha hotel besides visiting such places as the Peace Memorial Museum in Itoman, a fierce battleground during the Battle of Okinawa. He reportedly will not deliver an outdoor speech.

The Japanese and U.S. foreign ministers signed the Guam International Agreement last month. In Okinawa, there is strong criticism of the pact as having gone over the heads of local communities. Although a source connected with the Liberal Democratic Party cited time constraints as the reason for giving up the Futenma tour, there seems to have been a judgment not to be seen as deeply involved in the base issue.

When Foreign Minister Hirofumi Nakasone visited Okinawa last month, Governor Nakaima asked for a thorough explanation on the agreement to the Okinawa public, but the government inked the pact without offering an explanation or setting a venue to hear local opinions.

Governor Nakaima has also called for moving the envisaged Futenma

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replacement facility to an offshore area. But the government has not shown a positive stance, with Foreign Minister Nakasone saying, "Without a rational reason, altering the plan is difficult." There are no prospects for an agreement between the government and Okinawa.

13) Nishimatsu Construction scandal: Former Ozawa private secretary from the beginning demanded political donations; Ozawa to be questioned as reference witness

YOMIURI (Top play) (Excerpt)  
March 6, 2009

In the case of the violation of the Public Funds Control Law by Rikuzankai, the political funds control organization of Democratic Party of Japan (DPJ) President Ichiro Ozawa, it has been learned from talking to sources connected with Nishimatsu Construction that the series of political donations from dummy political organizations that Nishimatsu Construction, a second-tier general contractor from Tokyo, had set up, the impetus from the start was a demand from the Ozawa secretary who preceded the suspect Okubo as accountant at Rikuzankai. The special investigation unit of the Tokyo Prosecutors Office knows this fact. Prosecutors in charge of the case plan to question as a reference witness, DPJ President Ozawa, who heads the Rikuzankai, on the facts.

14) DPJ poll: 70 PERCENT say Ozawa issue to affect general election

YOMIURI (Page 1) (Abridged)  
March 6, 2009

In the wake of a Tokyo District Public Prosecutors Office taskforce's recent raid of Democratic Party of Japan (Minshuto) President Ozawa's fund-managing body over its alleged receiving of illicit political donations from a second-tier construction company, the Yomiuri Shimbun conducted a questionnaire survey of the DPJ's local chapter executives.

In the survey, the DPJ's local leaders were asked if they thought the incident would affect the next election for the House of Representatives. In response to this question, "yes" came from 32 of the DPJ's prefectural federations or nearly 70 PERCENT, broken down into "somewhat" (29 prefectural federations, including Tokyo and Hokkaido) and "very much" (3 prefectural federations). "Very much" came from the DPJ's Gifu, Tottori, and Kochi prefectural federations. The DPJ's Gifu prefectural federation noted: "The public eye would be severe. We will have to reconstruct our strategy for the lower house election."

In the breakdown of negative answers, "not at all" came from none of the DPJ's prefectural federations, accounting for 0 PERCENT. "Not very much" came from only 14 of the party's prefectural federations. These figures clearly show that the DPJ's local organizations are increasingly becoming concerned about their election campaign. When asked if Ozawa should resign as DPJ head, "no" came from 28 prefectural federations, including Tokyo and Hokkaido. Meanwhile, 17 prefectural federations answered that the party should make a judgment after seeing the progress of investigations and the trend of public opinion. Ozawa has ruled out the possibility of his resignation, maintaining that there is nothing illegal about the political donations. However, the survey results imply that Ozawa

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may be faced with a rise of calls for his resignation, depending on how the incident will turn out from now on.

The survey was conducted March 4-5 of the DPJ's prefectural federation secretaries general and other local executives.

15) Confusion in DPJ over stance of full-scale confrontation with prosecutors; Ozawa remains silent

NIKKEI (Page 2) (Full)  
March 6, 2009

Some in the main opposition Democratic Party of Japan (DPJ) are hesitating about locking horns with the Tokyo Public Prosecutors Office over the arrest of party head Ichiro Ozawa's first public-funded secretary by opening criticizing the investigation. They are concerned that if new facts come up after the party protects Ozawa, the party's image will be damaged even further.

When asked by reporters about senior DPJ members' criticism of prosecutors, Seiji Maehara, a vice president, said in Tokyo yesterday: "We should refrain from speaking that way. In general terms, remarks that give the public doubts in investigations by prosecutors should not be made."

Regarding Secretary General Yukio Hatoyama's statement that the DPJ will harshly pursue the prosecutors for an unjust investigation, junior and mid-level lawmakers took the view that there was no need for the party to go that far in protecting (Ozawa).

Lower House member Akihisa Nagashima said in a fund-raising party held yesterday in Tokyo: "Should there be facts contradicting President Ozawa's statement that he has nothing to feel guilty about, we will have to make a different judgment." He indicated that depending on how the case will turn out, there may be no other way except for Ozawa to step down from the presidency.

Meanwhile, Ozawa remains silent since he held a press conference on

March 4. Yesterday he went his office and returned home. Although he met Upper House Steering Committee Chairman Takeo Nishioka, he did not show up the Diet and DPJ headquarters.

16) Mori to return 3 million yen given by Nishimatsu-related groups

SANKEI (Page 3) (Full)  
March 6, 2009

Former Prime Minister Yoshiro Mori of the Liberal Democratic Party revealed a plan yesterday through his lawyer to return 3 million yen in donations made by political groups related to Nishimatsu Construction Co.

Meanwhile, Chief Cabinet Secretary Takeo Kawamura said in a press briefing yesterday that Shunichi Yamaguchi, a special advisor to the prime minister, and Vice Minister of Land, Infrastructure, Transport and Tourism Tokio Kano will return money they had received from Nishimatsu-related political groups. Yamaguchi has decided to return shady money amounting to 2 million yen, and Kano will give back the 2 million yen paid for fund-raising party tickets.

Kawamura explained: "They decided to return money from a moral viewpoint. They think it is undesirable to leave doubts among the

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people."

17) LDP's Nikai faction members found to have received donations from Nishimatsu

NIKKEI (Page 2) (Full)  
March 6, 2009

Chief Cabinet Secretary Takeo Kawamura revealed yesterday in a press conference that cabinet ministers who had received donations from the political organizations headed by former Nishimatsu Construction Co. officials were Tokio Kano, senior vice minister of land infrastructure and transport, and Shinichi Kano, special advisor to Prime Minister Taro Aso. Economy, Trade and Industry Minister Toshihiro Nikai admitted the Nishimatsu-linked political bodies had bought fund-raising party tickets from a faction he heads in the Liberal Democratic Party (LDP). The three cabinet members have expressed their intentions to return the donations.

After confirming the three cabinet members' intents that they will return the money to the political groups, Kawamura stated in the press meeting yesterday: "There should be no suspicion left in people's minds." Prime Minister Aso told reporters last night: "I think each politician and political organization should make a decision on its own."

Kano held a press briefing in the Ministry of Land, Infrastructure and Transport, where he revealed that he had received 2 million yen as payments for party tickets from the Nishimatsu-linked political groups. He stated: "I don't want to be suspected of having committed improper actions." Yamaguchi's political fund-management organization got 2 million in donations in 2004. The Nikai faction received a total 8.38 million yen as payments for party tickets in three years until 2006.

However the Nishimatsu-linked political groups have been disbanded. A source familiar with the ministry pointed out:

"Since the political groups were dissolved, they can't return the money. It is strange that the money will be returned to such individuals as former officials of the Nishimatsu Construction Co."

The Nikai faction says that lawyers will be consulted on the matter.

Former Prime Minister Moro considering returning donations

Former Prime Minister Yoshiro Mori, a member of the ruling Liberal Democratic Party (LDP), began yesterday considering returning donations and payments for fund-raising party tickets by political



groups, which were headed by former Nishimatsu Construction Co. officials. This was revealed through a lawyer, proxy of Mori. The lawyer explained the reason for returning the money that the money would be returned from an ethical point of view, but the donations were not illegal.

18) Government official: Nishimatsu donation scandal will never affect LDP

NIKKEI (Page 2) (Full)  
March 6, 2009

TOKYO 00000505 010 OF 011

A high-level government official yesterday revealed the outlook that the donation scandal involving Nishimatsu Construction Co. would have no impact on the ruling Liberal Democratic Party (LDP). The official stated yesterday:

"There will no negative impact on the LDP. If there were something like receipts, things would be different. There is a big difference in the amounts of donations (received by LDP members compared to those received by Democratic Party of Japan President Ichiro Ozawa). So prosecutors will not file charges (against LDP lawmakers)."

It is extremely unusual for a government official to refer to how a political scandal will develop. The remark will likely create doubts about the neutrality and fairness of investigations.

The official commented on the arrest of Ozawa's first state-funded secretary: "Prosecutors must have obtained convincing evidence. If they don't have it, they would not have gone that far."

19) Calls for Diet dissolution in May mounting in ruling camp: Bullish views hear one after another due to opposition party's troubles

ASAHI (Page 4) (Full)  
March 6, 2009

Calls for dissolving the Lower House in May are gaining ground in the ruling camps. The lawmakers see a golden opportunity, once the fiscal 2009 budget is passed, because the Democratic Party of Japan (DPJ) has been dealt a heavy blow by the arrest of President Ozawa's state-funded secretary. Prime Minister Aso will likely look for the right timing to dissolve the Diet, while watching developments in the public prosecutors' investigation and the DPJ's response.

Former Liberal Democratic Party (LDP) Secretary General Taku Yamasaki at a plenary meeting of his faction on March 5 insisted: "The greatest item on the political agenda is an economic stimulus package. Shouldn't we go out and appeal to the country by dissolving the Lower House for a snap election in May?" Among leadership members, Secretary General Hiroyuki Hosoda at a Lower House members' party held the same day said, "The election will be held soon." General Council Chairman Takashi Sasagawa noted, "There will be an election when cherry blossoms are in bloom."

A New Komeito official told reporters, "There could be Diet dissolution once items for the fiscal 2009 supplementary budget are submitted in early May."

The distribution of cash handouts will have been carried out widely by May. The scenario is to compile a large-size supplementary budget that includes an additional stimulus package between April and May, after having the fiscal 2009 budget-related bills enacted before the end of April, and then dissolve the Lower House, by presenting that budget draft before the people.

If dissolution is put off until the enactment of the large-scale extra budget due to opposition by the opposition camp, there could be a double election together with the Tokyo metropolitan assembly election in July. There is concern that if dissolution takes place at a time close to the end of the current term for Lower House members, a good opportunity might be missed, because the DPJ will have regained its position by that time.

However, a view that the Lower House should be dissolved after passage of a large-size supplementary budget is also deep-rooted in the LDP. Former Chief Cabinet Secretary Machimura on the 5th told reporters, "It will give a negative impression if we dissolve the Diet, taking advantage of the DPJ's troubles, since we have played up our determination to implement economic stimulus measures." He took a negative stance toward early Diet dissolution.

ZUMWALT